IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No.490 of 2005
Date of decision 17 . 8 .2007

Commissioner of Income Tax (Central),Ludhiana ..Appellant

Versus

M/s Nahar Spinning Mills Ltd. .. Respondent

CORAM: HON'BLE MR. JUSTICE M.M. KUMAR
HON'BLE MR. JUSTICE RAJESH BINDAL

PRESENT: Mr.Vivek Sethi, Advocate for the appellant

M.M.Kumar, J.

This appeal filed under Section 260 A of the Income Tax Act,1961 is directed against order dated 29.4.2005 passed by the Income Tax Appellate Tribunal, Chandigarh Bench (A), Chandigarh (for brevity 'the Tribunal') in ITA No. 686/Chandi/2000 for the assessment year 1996-97. The Revenue has claimed that following substantial question of law would emerge from the order of the Tribunal :

> " Whether on the facts and circumstances of the case, the Tribunal was correct in directing to exclude Sale-tax and Central Sale tax from the total turnover for computing deduction u/s 80 HHC ?"

It has remained undisputed that a similar substantial question of law came up for consideration of this Court in the case of Commissioner of Income Tax 1, Ludhiana v. M/s Vardhman Polytex Ltd., Ludhiana (ITA No.293 of 2005 decided on 22.5.2006). This Court after noticing various judgements and provisions had decided the question against the Revenue and in favour of the assessee. There is no argument raised to show that this appeal deserved to be treated differently than the appeal decided vide order

dated 22.5.2006 concerning M/s Vardhman Polytex Ltd. (supra). Therefore, the substantial question of law raised is liable to be answered against the Revenue and in favour of the assessee.

For the reasons afore-mentioned, this appeal fails and the same is dismissed.

(M.M.Kumar)
Judge

(Rajesh Bindal)
Judge

17.8.2007
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